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Spain

Wine

Annual

2006

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Report Highlights:
Spain's wine exports during marketing year (MY) 2005/06 (September to August) will likely be off recent year's levels by at least half a million hectoliters. The decrease is due to a drought-reduced grape harvest. However, the resulting quality of this year's vintage may be one of the best in recent years. (LR70SH5)

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
Unscheduled Report
Madrid [SP1]
[SP]

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Executive Summary

- The drought in Spain (please see SP5004, SP5013, and SP5024 for more information), beginning before, and lasting during the entire grape-growing season has meant reduced grape production and a resulting decrease in MY 2005/06 wine production and subsequent exports. We expect that wine exports will decline to about 13.5 million hectoliters (MH) during MY 2005/06, down from 14.1 MH in MY 2004/05. From that total, only some 3.5 MH will be exported to non-EU countries.

- While the quantity of wine produced this year is off the tremendous pace of the last several years, many local wine experts expect that this year's wine production will be one of the highest-quality vintages of recent years. New wine from this year's production is now available in local stores, but will only begin to show its true potential as it matures through the "Crianza", "Reserva," and "Grand Reserva" stages.

- Competition in the Spanish market place for wine sales is fierce with a great depth of choice in every price range and from each producing region. Spanish wines must also compete with imported "new world" and "old world" wines. For those that don't make the cut, there is always the wine alcohol tender, which is an attempt remove some of the excess, poorer-quality wine and spirits from the marketplace.

- The competition means that Spanish producers have had to improve their wines. To help them do so, the European Commission (EC), in conjunction with the Government of Spain (GOS) and the local Autonomous Regional Governments (ARGs) have afforded grape growers taxpayer-funded subsidies to replant and improve grape production (please see SP5035 for additional information). As a result of the assistance, we expect that Spanish wine production will increase and improve over the next few years.

- Improved wines, and a strong international marketing effort will likely help improve prospects for Spanish vintners in the world market. The North American market is a particular focus, and it appears that Spanish efforts to market to U.S. consumers are paying off as exports grow at a strong and steady pace. We expect the marketing focus and subsequent results to continue as U.S. consumers become more familiar with Spanish wines. But, it doesn't stop there, because Spanish vintners are also focusing on emerging markets, like those in Asia.

- The EC is looking to reform the European wine Common Market Policy (CMO) in 2006. Spanish producers oppose the type of change they have seen in many of the other agricultural sectors, including a move to subsidy decoupling and the single farm paymnet.

Production, Supply & Distribution Table

PSD Table

Country Spain
Commodity Wine

(1000 MT)(1000 HL)

	2003 USDA Official [Old]	Revised Post Estimate [New]	2004 USDA Official [Old]	Estimate Post Estimate [New]	2005 USDA Official [Old]	Forecast Post Estimate [New]
Market Year Begin		09/2003		09/2004		09/2005
TOTAL Grape Crush	0	6,961	0	6,980	0	5,634
Begin Stock (Ctrl App)	0	22,940	0	23,797	0	25,290
Begin Stock (Other)	0	8,145	0	10,252	0	12,712
TOTAL Beginning Stocks	0	31,085	0	34,049	0	38,002
Prod. from Wine Grapes	0	40,365	0	41,906	0	33,296
Prod. from Tabl Grapes	0	4	0	5	0	4
TOTAL PRODUCTION	0	40,369	0	41,911	0	33,300
Intra-EU Imports	0	262	0	313	0	320
Other Imports	0	18	0	22	0	25
TOTAL Imports	0	280	0	335	0	345
TOTAL SUPPLY	0	71,734	0	76,295	0	71,647
Intra-EU Exports	0	11,731	0	11,093	0	10,000
Other Exports	0	2,607	0	3,000	0	3,500
TOTAL Exports	0	14,338	0	14,093	0	13,500
Dom.Consump(Cntrl App)	0	3,500	0	3,700	0	3,800
Dom.Consump(Other)	0	19,847	0	20,500	0	20,000
TOTAL Dom.Consumption	0	23,347	0	24,200	0	23,800
End Stocks (Cntrl App)	0	23,797	0	25,290	0	22,500
End Stocks (Other)	0	10,252	0	12,712	0	11,847
TOTAL Ending Stocks	0	34,049	0	38,002	0	34,347
TOTAL DISTRIBUTION	0	71,734	0	76,295	0	71,647

Production

General

SPAIN: Wine Production (Units: 1,000 Hectoliters)

Products	**Red and Rose**	**White**	**TOTAL**
Marketing Year: 2003/04			
TABLE WINES			
Without Geographic Indication	9,152	14,682	23,834
With Geographic Indication	3,183	620	3,803
VQPRD	8,297	4,418	12,715
Other Wines	10	7	17
TOTAL ----	**20,642**	**19,727**	**40,369**
Marketing Year: 2004/05			
TABLE WINES			
Without Geographic Indication	10,644	14,921	25,565
With Geographic Indication	1,794	566	2,360
VQPRD	9,021	4,965	13,986

TOTAL ----	**21,459**	**20,452**	**41,911**
Marketing Year: 2005/06			
TABLE WINES			
Without Geographic Indication	9,441	11,538	20,979
With Geographic Indication	499	167	666
VQPRD	7,576	4,079	11,655
TOTAL ----	**17,516**	**15,784**	**33,300**

Source: MAPYA/FEGA Declared Productions for MY 2003/04 and 2004/05, and FAS/Iberia estimate for MY 2005/06, based on MAPYA production statistics.

Spain: Wine & Must Production (1,000 MT)

Marketing Year:	2003	2004	2005	Share in Total (%)
Province:				
Castilla-Mancha	25,528	26,300	21,255	53.5
Extremadura	4,621	4,068	3,311	8.3
Cataluna	3,692	4,045	2,749	7.2
C. Valenciana	3,500	2,711	2,314	5.6
La Rioja	2,236	2,427	2,100	5.3
Andalucia	1,900	2,080	1,165	2.9
Galicia	1,785	1,912	1,482	3.7
Castilla y Leon	1,721	1,870	1,682	4.0
Aragon	1,193	1,629	1,119	2.8
Navarra	933	1,232	892	2.3
R. de Murcia	698	609	609	1.5
Madrid	642	277	239	0.7
Pais Vasco	637	706	623	1.6
All Other …….	253	196	210	0.4
TOTAL ……..	**49,339**	**50,062**	**39,750**	100.0

Source: MAPYA

- There are 60 Denominations of Origin recognized by the Spanish Government. Producers have been developing quality wines with origin denomination and other wines with geographical indications (GI). However, non-GI table wine production continues to account for the bulk of production. For production breakout, please check wine production table above.

- There are over 5,000 wineries and around 16,000 wine products, however, the five largest wineries produce about 40 percent of the wine. Add the next five and you have 60 percent of the production.

Production Policy

- Spanish wine production is subject to the EC CMO. Applicable legislation is laid out in the following:

    - Real Decreto 1472-2000, dated August 4, which regulates the wine production;
    - EU Reg 1622/2000;
    - EU Reg. 1623/2000;

  - o EU Reg. 1607/2000; and,
  - o EU Reg. 1608/2000.

- Spanish application of the EU legislation is located in the *Ley de la Viña y el Vino*, published in BOE on July 11, 2003. The Spanish Ministry of Agriculture (MAPYA) has announced it is revising this legislation shortly, but may delay revision until it can incorporate changes resulting from the new EU wine CMO.

- Spanish producers have expressed opposition to introduction of subsidy decoupling under new wine CMO. The Cooperatives Confederation (CCAE) advocates a combination of horizontal measures to be implemented in all of the EU, with measures to be implemented with flexibility at individual member state level. The latter would include sector restructuring, quality enhancement, additional marketing, etc.

- Current wine CMO includes a series of supports to curb surpluses, including alcohol distilling and wine storage subsidies, wine promotion and export subsidies. Below please find tables with latest official public information on subsidies directed to these programs.

- Export subsidies have played a key role in exporting about 1.5 MH annually. The EC is phasing out export subsidies by 2013. On January 16, 2006, export restitutions were reduced 0.0614 €/liter for red wine with 11-13 percent alcohol from 0.0682 €/liter. This is the second reduction carried out by the EC since the beginning of the MY 2005/06.

- Spanish wine exports also benefit from marketing activities carried out by the Spanish foreign trade institute (ICEX). These include participation in specialty shows abroad, development of market researches and other international marketing activities.

- Further, MAPYA is developing a consortium with CCAE, with the purpose of carrying out activities to develop international markets.

Spain: Distilling and Private Storage Subsidies Paid in MY 2004/05

	2004/05			
				HI (% Vol.)
Support to Private Alcohol Storage for Distilling	**Alcohol Type:**	- Brandy		17,025,895
(non mandatory; Article 29 -- Reg (CE) 1493/99)		- *Holanda*		1,747,556
		- Distilled		4,320,214
		- Neutral		3,036,925
		Total		**26,130,590**
Contracts and Authorization for Emergency distilling	**Num. of Contracts**			**HI Wine**
(Voluntary; Article 30 – Reg. (CE) 1493/99, opened				
by Reg. (CE) 762/2005		1,016		3,998,067
		1,013		5,350,201
Max. authorized HI under Reg. (CE) 762/2005				4,000,000
Distilling of "Alcohol de boca"		1,432		6,594,513
(Article 29 of Reg 1493/99)				
Contracts to Support Private Storage of Table Wine & Musts				
	Table Wine			4,298,740
	Must			3,752,551
	Concentrated Must			90,013
	Conc., rectified must			27,611

Source: MAPYA

Spain: EU-Financed Wine Promotion Activities in 2003

Product/ Regulation	Entity	Euros				Actions
		EU Support	MAPA	Sector	Total	
Promotion in Third Countries -- Regulation (CE) 2879/2000						
European Quality Wines	FEDEJEREZ	22.866	7.622	7.622	152.440	Joint French and Spanish activities carried out in Japan. Activities included: (a) Seminars in cooker schools; (b) Publicity in Restaurant magazines; (c) Presentations of European wines.
European Quality Wines	AMITON	570,000	190,000	190,000	950,000	Joint French and Spanish activities carried out in the EU. Activities included: (a) Seminars/wine tasting; (b) Promotion in Restaurants and points of sale; (c) Presentations of European wines.
Promotion in the EU Market -- Regulation (CE) 94/2002						
Wine	CEV	364,727	121,575	121,575	607,877	(a) Information in points of sales; (b) Lectures to advisors and consumers; (c) Web page; (d) Press office.
Cava	Institut del Cava	391,107	130,369	130,369	651,845	(a) Seminars in Restaurant schools; (b) Web page; (c) Road show; (d) Press trips.

Consumption

Spain: CY-2005 Wine Consumption Indicators:
Variation of Jan/to Sept 2005 Relative to Jan/Sept 2004

	At Home	Hotels/Restaurants	Total
	% Increase (Jan/Sept 2005 over Jan/Sept 2004)		
Quality wine	9.6 %	17.7 %	15.4 %
Table wine	- 5.9 %	- 17.6 %	- 12.7 %
Sparkling Wine	2.1 %	22.8 %	12.7 %
Other wines	- 2.2 %	- 5.4 %	- 3.2 %
Total	- 2.4 %	- 5.0 %	- 4.0 %

Source: MAPYA

Spain: Wine Consumption **(Units: Hectoliters)**

	CY-2003		CY-2004		2004/03 Increase (%)
	At Home	% in Total	At Home	% in Total	
Quality wine	892,600	17.8	1,038,400	21.5	16.3
Table wine	3,686,000	73.3	3,278,200	67.8	-11.1
Sparkling Wine	240,900	4.8	259,300	5.4	7.6
Other wines	208,300	4.1	257,500	5.3	23.6
Total	5,027,800	100.0	4,833,400	100.0	-3.9
	Outside Home	% in Total	Outside Home	% in Total	
Quality wine	2,158,700	33.0	2,428,600	34.0	12.5
Table wine	4,019,700	61.5	4,404,200	61.6	9.6
Sparkling Wine	224,400	3.4	198,200	2.8	-11.7
Other wines	137,700	2.1	113,400	1.6	-17.6
Total	6,540,500	100.0	7,144,400	100.0	9.2
	Total	% in Total	Total	% in Total	
Quality wine	3,051,300	26.4	3,467,000	28.9	13.6
Table wine	7,705,700	66.6	7,682,400	64.1	-0.3
Sparkling Wine	465,300	4.0	457,500	3.8	-1.7
Other wines	346,000	3.0	370,900	3.1	7.2
Total	11,568,300	100.0	11,977,800	100.0	3.5

Source: MAPYA

Spain: Value Spent in Wine (Million Euros)

	CY-2003	CY-2004	% Inc. 04/03
At home			
Quality wine	304.75	368.55	20.9
Table wine	364.51	327.42	-10.2
Sparkling Wine	118.13	120.94	2.4
Other wines	60.98	73.19	20.0
Total	848.37	890.1	4.9
Outside Home			
Quality wine	893.47	1,171.54	31.1
Table wine	514.38	583.42	13.4
Sparkling Wine	111.78	103.04	-7.8
Other wines	54.39	46.96	-13.7
Total	1,574.02	1,904.96	21.0
Total			
Quality wine	1,198.22	1,540.09	28.5
Table wine	878.89	910.84	3.6
Sparkling Wine	229.91	223.98	-2.6
Other wines	115.37	120.15	4.1
Total	2,422.39	2,795.06	15.4
Total Food Expenses	69,406.19	74,752.09	7.7

Source: MAPYA

Spain: Per capita consumption (Liter/Year)

	CY-2004	CY-2005
VINO VCPRD	8.2	8.6
VINO DE MESA	18.2	15.6
ESPUMOSO Y CAVAS	1.1	0.8
OTHER WINES	0.9	0.8
TOTAL	**28.4**	**25.8**

Source: MAPYA for 2004, and FAS/Iberia estimate for 2005.

- Wine consumption in Spain has been decreasing now for over the past 15 years, with an occasional upward blip as occurred in CY 2004, from over 40 liters per capita/year in the mid-80s to just 26 as noted in the table above. Spaniards are drinking, but have been switching to beer, and soft drinks, etc. The young seem to be the least impressed with Spanish wines.

- For latest official consumption statistics, please check tables above from MAPYA. Note that these statistics are prepared based on a sampling process, and are focused on domestic wine.

Trade

General

Spain: Total Wine Imports (Units: Hectoliters)

Partner Country		Units: Hectoliters					
		2000	2001	2002	2003	2004	2005
Total		**642,336**	**251,861**	**260,684**	**289,084**	**290,428**	**335,500**
From U.S.		**680**	**319**	**215**	**283**	**422**	**500**
From EU		**632,423**	**234,774**	**246,481**	**273,066**	**269,039**	**315,000**
. Italy		428,390	101,840	67,288	104,776	144,227	162,000
. France		117,106	79,789	75,557	39,294	36,657	54,000
. Portugal		70,199	37,011	66,814	105,879	60,147	63,000
. Germany		6,791	10,044	15,586	14,327	20,174	20,000
. Denmark		195	558	331	53	350	5,000
. U.K.		1,090	897	11,744	1,752	1,289	5,000
. Other EU		8,652	4,635	9,162	6,984	6,196	6,000
Other:		**9,233**	**16,768**	**13,988**	**15,735**	**20,967**	**20,000**
. China		182	862	225	1,437	97	2,000
. Chile		3,111	4,979	6,856	8,957	13,429	7,000
. Argentina		2,560	2,841	3,012	3,628	4,207	5,000
		3,379	8,086	3,895	1,713	3,235	6,000

Spain: Total Wine Imports (Units: Thousand U.S. Dollars)

Partner Country	1,000 United States Dollars					
	2000	2001	2002	2003	2004	2005
Total	**80,847**	**64,052**	**76,769**	**103,821**	**131,051**	**122,000**
From U.S.	**597**	**500**	**418**	**428**	**764**	**900**
From EU	**77,563**	**59,463**	**71,742**	**98,568**	**124,449**	**105,000**
. Italy	24,270	12,623	12,043	22,239	33,477	31,000
. France	38,301	33,340	41,354	51,420	55,061	49,000
. Portugal	10,070	9,516	11,874	15,769	28,109	13,000
. Germany	1,382	1,928	2,041	2,737	4,253	3,000
. Denmark	112	152	78	40	79	900
. U.K.	375	433	1,034	1,405	972	1,500
. Other EU	3,052	1,472	3,318	4,960	2,499	6,600
Other:	**2,687**	**4,089**	**4,610**	**4,825**	**5,837**	16,100
. China	20	56	21	142	11	400
. Chile	991	1,540	2,068	2,419	2,757	2,900
. Argentina	791	862	871	976	1,347	9,700
	885	1,631	1,649	1,288	1,722	3,100

Source: Global Trade Atlas up till 2004, and FAS/Iberia for 2005. Note: Data is on Calendar Year basis. Products covered are from the EU harmonized tariff schedule numbers 2204, except 2204.30 (wine must) and 2205.

Spain: Total Wine Exports (Units: Hectoliters)

Partner Country:	Hectoliters					
	2000	2001	2002	2003	2004	2005
Total	**8,816,518**	**10,151,736**	**9,935,492**	**12,390,350**	**14,255,381**	**13,400,000**
To U.S.	**198,590**	**215,022**	**262,179**	**296,417**	**343,923**	**385,000**
To EU	**6,807,831**	**8,066,960**	**7,644,637**	**10,131,288**	**11,713,885**	**10,200,000**
. France	1,134,694	1,549,432	1,563,127	2,320,752	3,195,367	3,100,000
. Germany	1,269,676	1,609,266	1,503,660	2,186,210	2,719,630	2,000,000
. Portugal	1,764,539	1,732,532	1,232,158	1,329,659	1,536,479	1,400,000
. U.K.	913,481	1,149,349	1,073,456	1,111,973	1,178,678	1,000,000
. Italy	82,387	281,873	498,591	1,279,727	1,216,639	700,000
. Netherlands	412,037	411,122	422,420	433,258	402,466	450,000
. Denmark	416,585	417,471	363,510	336,657	307,037	290,000
. Sweden	334,217	353,931	369,333	336,764	288,842	265,000
. Czech Republic	86,864	162,743	183,110	148,018	227,567	169,000
. Belgium	111,682	110,146	125,349	155,799	176,373	182,000
. Latvia	55,641	45,942	61,936	95,465	59,340	133,000
. Finland	93,385	107,690	103,625	99,858	86,642	94,000
. Slovakia	1,651	1,049	4,237	3,705	23,028	54,000
. Poland	16,732	16,195	18,428	29,502	46,397	57,000
. Other EU	114,259	118,220	121,697	263,941	249,400	306,000
To Non-EU	**1,810,097**	**1,869,753**	**2,028,676**	**1,962,645**	**2,197,574**	**2,800,000**
. Russia	61,921	44,029	133,677	173,823	277,389	500,000
. Switzerland	265,210	299,791	268,045	311,336	316,559	313,000
. Angola	129,988	134,080	148,489	30,011	141,975	260,000
. China	210,093	49,920	20,805	13,114	24,433	240,000
. Canada	63,472	63,795	80,331	102,146	131,877	210,000
. Equatorial Guinea	61,129	109,823	122,925	129,073	136,702	105,000
. Cote d'Ivoire	174,292	245,045	275,009	235,866	145,208	89,000
. Japan	89,490	84,450	81,246	90,091	101,912	114,000
. Mexico	36,431	52,596	54,352	52,247	61,902	76,000
. All Other	718,070	786,224	843,796	824,938	859,618	893,000

Source: Global Trade Atlas up till 2004, and FAS/Iberia for 2005. Note: Data is on Calendar Year basis. Products covered are from the EU harmonized tariff schedule numbers 2204, except 2204.30 (wine must) and 2205.

Spain: Total Wine Exports (Units: 1,000 USD)

Partner Country	2000	2001	2002	2003	2004	2005
Total	**1,171,223**	**1,266,489**	**1,319,425**	**1,677,919**	**1,934,238**	**1,900,000**
To U.S.	**94,715**	**103,911**	**128,087**	**153,989**	**182,338**	**200,000**
To EU	**830,816**	**919,507**	**927,720**	**1,208,561**	**1,393,005**	**1,300,000**
. Germany	239,969	257,181	264,034	345,920	390,155	356,000
. U.K.	179,991	223,256	241,150	292,153	348,969	304,000
. France	59,518	63,853	67,262	112,117	156,192	148,000
. Netherlands	70,163	73,512	77,756	95,991	94,950	89,000
. Denmark	65,138	65,562	57,759	64,742	60,756	60,000
. Sweden	60,655	59,933	65,995	66,832	64,936	60,000
. Portugal	77,131	75,414	46,120	60,583	75,465	57,000
. Belgium	26,005	38,055	27,889	36,972	48,246	50,000
. Italy	6,538	10,871	20,292	57,256	59,339	39,000
. Finland	17,284	21,587	22,062	24,992	25,181	26,000
. Czech Republic	2,832	4,968	5,902	6,052	11,544	12,000
. Poland	2,325	2,559	2,890	4,752	6,791	8,000
. Latvia	2,202	1,940	2,823	5,842	4,765	9,000
. Slovakia	60	63	240	275	1,707	30,000
. Other EU	21,006	20,753	25,547	34,082	44,009	52,000
To Non-EU	**245,692**	**243,071**	**263,618**	**315,369**	**358,895**	**400,000**
. Switzerland	62,554	67,294	65,862	86,389	89,501	90,000
. Canada	17,888	18,264	22,398	29,307	33,394	44,000
. Japan	26,846	22,963	23,141	27,532	37,094	40,000
. Mexico	14,483	18,519	21,698	25,772	31,096	37,000
. Russia	4,172	4,146	8,131	13,086	19,177	30,000
. Angola	5,525	6,864	6,290	1,495	7,172	14,000
. China	11,041	2,488	1,134	1,236	2,614	11,000
. Equatorial Guinea	2,664	4,269	5,151	6,606	7,899	6,000
. Cote d'Ivoire	5,748	7,108	8,040	8,515	5,665	3,000
. All Other	94,770	91,156	101,772	115,431	125,283	125,000

Source: Global Trade Atlas up till 2004, and FAS/Iberia for 2005. Note: Data is on Calendar Year basis. Products covered are from the EU harmonized tariff schedule numbers 2204, except 2204.30 (wine must) and 2205.

- The decline in CY-2005 Spanish wine exports resulted from a large drop in bulk sales (down 17 percent in value, and down 13 percent in volume), due to competition from France, Italy, and Portugal. However, the average bulk export price rose five percent to 1.03 €/liter on the decreased export volume.

- High-quality wine exports, including table wines and regional wines, were up year-on-year 11 percent in value, and seven percent in volume. GI wines were up three percent in value and five percent in volume. White GI wines doubled in export volume and value (from very low levels), and sparkling wines increased five percent in value.

- Spanish subsidized wine exports consist basically in bulk reds and "roses", which are destined for the African markets. Sulk whites are primarily destined for the Asian and Eastern European markets.

- In addition to wine, Spain has significant wine-must exports (see tables below).

Spain: Must Exports (Units: Hectoliters)

Partner Country		Quantity				
	2000	2001	2002	2003	2004	2005
Total	**111,882**	**35,643**	**205,310**	**242,239**	**335,350**	**245,000**
To U.S.	0	0	0	0	0	**50**
To EU	110,466	34,224	204,830	242,111	333,441	**244,800**
. Italy	0	2	125,514	113,551	234,339	**172,000**
. France	74,312	18,4112	63,087	112,225	90,518	**65,000**
. Germany	6,469	5,591	11,890	10,4889	4,958	6,900
. Other EU	29,685	10,219	4,339	5,846	3,626	900
To Other Non-EU	**1,416**	**1,419**	**480**	**128**	**1,909**	**150**

Source: Global Trade Atlas up till 2004, and FAS/Iberia for 2005. Note: Data is on Calendar Year basis. Products covered are from the EU harmonized tariff schedule number 2204.30.

Spain: Must Exports (Units: 1,000 USD)

Partner Country	Quantity					
	2000	2001	2002	2003	2004	2005
Total	**1,143,901**	**1,209,517**	**1,288,621**	**1,638,970**	**1,896,561**	**1,815,000**
To U.S.	92,121	101,088	124,775	150,418	178,745	**195,000**
To EU	814,889	874,239	910,416	1,186,192	1,370,578	**1,240,000**
. Germany	237,542	255,226	261,514	342,638	386,934	**348,000**
. U.K.	179,825	223,004	240,902	291,728	348,384	**303,000**
. France	55,026	60,005	63,458	106,299	151,974	142,000
. Netherlands	69,554	66,254	75,144	93,778	92,220	86,000
. Denmark	65,103	65,514	57,750	64,716	60,724	60,000
. Sweden	60,655	59,933	65,995	66,832	64,936	60,000
. Portugal	73,863	61,455	42,124	53,690	70,785	52,000
. Belgium	18,776	18,124	22,146	30,129	40,679	43,000
. Italy	5,674	10,172	19,492	55,964	58,035	38,000
. Finland	17,280	21,563	22,053	24,992	25,181	26,000
. Czech Republic	2,832	4,968	5,902	6,052	11,544	12,000
. Poland	2,132	2,397	2,748	4,613	6,645	8,000
. Latvia	2,172	1,925	2,786	5,766	4,726	9,000
. Slovakia	60	63	189	275	1,638	300
. Other EU	24,395	23,637	28,214	38,720	46,171	52,700
To Non-EU	**236,891**	**234,190**	**253,430**	**302,360**	**347,238**	**380,000**
. Switzerland	62,122	66,794	65,563	85,892	89,128	89,000
. Canada	17,648	17,943	22,042	28,740	32,901	43,000
. Japan	26,171	22,243	22,350	26,831	36,558	39,000
. Mexico	14,443	18,446	21,537	25,712	30,925	37,000
. Russia	4,171	4,090	7,892	13,026	18,951	30,000
. Angola	5,523	6,864	6,278	1,495	7,160	14,000
. China	10,999	2,488	1,127	1,236	2,614	11,000
. Equatorial Guinea	2,631	4,215	5,048	6,458	7,668	6,000
. Cote d'Ivoire	5,740	7,094	8,018	8,381	5,595	3,000
. All Other	87,443	84,014	93,576	104,590	115,737	108,000

Source: Global Trade Atlas up till 2004, and FAS/Iberia for 2005. Note: Data is on Calendar Year basis. Products covered are from the EU harmonized tariff schedule number 2204.30.

Trade Matrices

Import Trade Matrix

Country Spain

Commodity Wine

Time Period	Sept/Aug	Units:	Hectoliters
Imports for:	2003		2004
U.S.	250	U.S.	582
Others		Others	
Italy	124,906	Italy	168,901
Portugal	74,795	France	57,753
France	33,623	Portugal	53,246
Germany	20,716	Germany	19,349
Netherlands	1,918	U.K.	4,773
Other EU	6,444	Denmark	3,922
Chile	11,204	Other EU	4,965
Argentina	4,046	Chile	9,675
Australia	519	Argentina	4,737
Switzerland	219	Australia	1,427
Total for Others	278,390		328,748
Others not Listed	1,638		5,939
Grand Total	280,278		335,269

Export Trade Matrix

Country Spain

Commodity Wine

Time Period	Sept/Aug	Units:	Hectoliters
Exports for:	2003		2004
U.S.	349,544	U.S.	390,286
Others		Others	
France	3,121,922	France	3,166,660
Germany	2,712,592	Germany	2,352,950
Portugal	1,507,722	Portugal	1,493,509
Italy	1,228,350	U.K.	1,201,246
U.K.	1,172,785	Italy	842,407
Netherlands	433,968	Netherlands	470,994
Denmark	315,536	Other EU	1,564,591
Other EU	1,238,313	Russia	366,857
Switzerland	313,778	Switzerland	329,323
Russia	292,012	Angola	224,768
Total for Others	12,336,978		12,013,305
Others not Listed	1,652,032		1,688,473
Grand Total	14,338,554		14,092,064

Policy

General

- On November 14, 2005, the EU Council of Ministers approved the US-EU wine Agreement. However, an interim agreement, based on derogations in place since the end of CY 2005, will prevail until full application of the final Agreement. For information on the Agreement, including on wine practices allowed and labeling provisions, as well as on EU wine import rules currently in effect, please check the FAS Brussels site at http://www.useu.be/agri/wine.html.

Import Tariffs

- Spanish wine imports are subject to EU tariffs. For tariffs currently in effect, please check EC Regulation 1719/2005 dated October 27, 2005, published in the Official Journal of the EU on October 28, 2005 and the tables below.

- Excise taxes are not in effect, but wines are subject to a 16 percent VAT.

EU Wine Import Tariffs Currently in Effect

HTSCN	Description	Tariffs
2204.10	Sparkling wines	32 €/hl
-- Bottled Wines		
2204.21.10	Other sparkling wine	32 €/hl
2204.21.11 to 80	Wine Under 13 % alcohol	13.1 €/hl
2204.21.81	Tokaj	15.8 €/hl
2204.21.82 to 85	Wine with alcohol content between 13 and 15%	15.4 €/hl
2204.21.87 to 98	Wine with 15 to 22% alcohol	14.8 to 20.9 €/hl
2204.21.99	Wine with more than 22% alcohol	1.75 €/% vol/hl
-- Wine in Bulk		
2204.29.10	Other sparkling wine	32 €/hl
2204.29.11	Wine Under 13 % alcohol	13.1 €/hl
2204.29.12 to 75	Tokaj	9.9 €/hl
2204.29.77 to 98	Wine with alcohol content between 13 and 15%	12.1 to 20.9
2204.29.99	Wine with 15 to 22% alcohol	1.75 €/% vol/hl
-- Vermuth and other flavored wines		
--- Bottled		
2205.10.10	Wines with less than 18% alcohol	10.9 €/hl
2205.10.90	Wine with more than 18% alcohol	0.9 €/ % vol/hl + 6.4 €/hl
--- In bulk		
2205.90.10	Wines with less than 18% alcohol	9 €/hl
2205.90.90	Wine with more than 18% alcohol	0.9 €/ % vol/hl

Source: EC Regulation 1719/2005 of 10. 27.2005

Marketing

- Some 70 percent of wine sold in Spain is distributed through the hotel and restaurant channels, and the remaining 30 percent through channels directed for home consumption.

- For exporters interested in exploring this market, please contact the following for additional market information:

Office of Agricultural Affairs
FAS/Iberia
E-mail: AgIberia@usda.gov